

## Assembly Bill No. 63

### CHAPTER 915

An act to add and repeal Section 19551.1 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 14, 2001. Filed  
with Secretary of State October 14, 2001.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 63, Cedillo. Taxation: disclosure.

Existing law prohibits the disclosure of any information concerning any taxpayer by the State Board of Equalization, the Franchise Tax Board, and the Director of Employment Development to any person, except as specifically authorized by statute. It permits the disclosure of certain information by the Franchise Tax Board to the Commissioner of Internal Revenue of the United States, other California tax officials, the Multistate Tax Commission, the tax officers of another state, and the tax officials of Mexico, under specified conditions.

This bill would, until December 31, 2008, additionally permit, under specified conditions, the disclosure of tax information to tax officials of any city. The bill would require that the Franchise Tax Board be reimbursed its cost of providing this information to a city, as specified.

This bill would require the California Research Bureau to make a report to the Legislature, by December 31, 2005, regarding the impact and effect of the bill.

This bill would also provide that it will become operative only if this bill and AB 205 are both enacted and become effective on or before January 1, 2002.

*The people of the State of California do enact as follows:*

SECTION 1. Section 19551.1 is added to the Revenue and Taxation Code, to read:

19551.1. (a) The Franchise Tax Board may permit the tax officials of any city to obtain tax information pursuant to subdivision (a) of Section 19551.

(b) The information furnished to tax officials of a city under this section shall be limited as follows:

(1) When requested pursuant to a written agreement, the taxing authority of a city may be granted tax information only on taxpayers with an address as reflected on the Franchise Tax Board's records within the



jurisdictional boundaries of the city who report income from a trade or business to the Franchise Tax Board.

(2) The tax information that may be provided by the Franchise Tax Board to a city is limited to a taxpayer's name, address, social security or taxpayer identification number, and business activity code.

(3) Tax information provided to the taxing authority of a city may not be furnished to, or used by, any person other than an employee of that taxing authority.

(4) Section 19542 applies to this section.

(5) Section 19542.1 applies to this section.

(c) The Franchise Tax Board may not provide any information pursuant to this section until all of the following have occurred:

(1) An agreement has been executed between a city and the Franchise Tax Board, that provides that an amount equal to all first year costs necessary to furnish the city information pursuant to this section shall be received by the Franchise Tax Board before the Franchise Tax Board incurs any costs associated with the activity permitted by this section. For purposes of this section, first year costs include costs associated with, but not limited to, the purchasing of equipment, the development of processes, and labor.

(2) An agreement has been executed between a city and the Franchise Tax Board, that provides that the annual costs incurred by the Franchise Tax Board, as a result of the activity permitted by this section, shall be reimbursed by the city to the board.

(3) Pursuant to the agreement described in paragraph (1), the Franchise Tax Board has received an amount equal to the first year costs.

(d) This section does not invalidate any other law. This section does not preclude any city or, city and county, from obtaining information about individual taxpayers, including those taxpayers exempt from this section, by any other means permitted by state or federal law.

(e) This section shall remain in effect only until December 31, 2008, and as of that date, is repealed.

SEC. 2. The California Research Bureau shall, by December 31, 2005, report to the Legislature regarding the impact and effect of Section 1 of this act.

SEC. 3. This act shall only become operative if this act and Assembly Bill 205 of the 2001–02 Regular Session are both enacted and become effective on or before January 1, 2002.

